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Title:

Press statement - South Australia for Grants Commission

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PRESS STATEMENT: 6/7/70.

FROM: THE PREMIER (MR. DUNSTAN)

SUBJECT: SOUTH AUSTRALIA FOR GRANTS COMMISSION.

The Premier, Mr. Dunstan, announced after a Cabinet meeting today that he had been authorized to make an application under Section 96 of the Australian Constitution for special revenue assistance toward the State Budget, and to request the Prime Minister to refer the application immediately to the Commonwealth Grants Commission.

He said that the last year for which South Australia received a grant in accordance with a recommendation of the Commission was 1958-59.

"The change of status in 1959-60 was arranged on financial conditions which, having regard to the circumstances of the time, were probably not unreasonable.

"However, since that time the relative treatment of South Australia by the Commonwealth has deteriorated, and in the last proposal for the coming five years has suffered further deterioration relative to other States".

Mr. Dunstan said accordingly he and his Cabinet felt confident that the State would qualify for considerable special assistance under Grants Commission procedures, and probably for a higher figure than that reported to have been proposed by Commonwealth officers and refused by the Prime Minister.

"The popular impression that the Grants Commission dictated financial policy and supervised expenditure of a Claimant State is not correct.

"The Commission does not impose its own standards but adopts as its measuring stick what the larger Eastern States actually do in the way of taxes, charges, and social service expenditure standards."

Mr. Dunstan said the Commission did not say that a Claimant State must operate its taxes and charges exactly as

as the Commission itself may think, but rather that if a State chose to tax or charge on a lower standard then it would have to be content to spend upon more frugal standards or bear a corresponding deficit without assistance.

"On the contrary, if the State should want better social service provisions than elsewhere it would be bound to tax and charge its people correspondingly more severely or bear the consequent deficit".

Mr. Dunstan said the most glaring difference in State revenues between South Australia and the States of New South Wales and Victoria on whose standards Grants would be based was in death duties.

"South Australia collected in the last year of review \$7.29 per head compared with \$11.09 in New South Wales and \$11.40 in Victoria.

"Unless we increase the amounts in South Australia it will be counted against us in our claim for assistance."

Mr. Dunstan said his Government was certainly not prepared to keep the States education and hospital services starved so as to keep succession duties on the larger estates so much below comparable rates elsewhere. Likewise it was not prepared to permit the continuance of arbitrary fragmentation of succession designed to avoid the normal duty.

"The Government, as indicated in its policy statements, proposes to ease rates on lower successions generally and also upon successions within the family where rural land is concerned.

"It will see that successions to the matrimonial home by the surviving marriage partner are properly protected.

"But it is determined that the larger estates shall contribute to our social services comparably with contributions required in other States, and that present avenues for unreasonable avoidance are closed."